


COUNTY OF YORK

MEMORANDUM

DATE: July 21, 2005 (BOS Mtg. 8/2/05)

TO: York County Board of Supervisors

FROM: James O. McReynolds, County Administrator 

SUBJECT: Personal Property Tax Relief Changes

The 2004 General Assembly made major changes to the Personal Property Tax Relief Act of 1998 (PPTRA). Senate Bill 5005 (2004 Special Session I) capped the statewide PPTRA relief at \$950 million, changed the reimbursement period from a calendar year to a fiscal year, and effectively changed the program from an entitlement program to a fixed block grant to localities that must be spent on providing personal property tax relief to owners of qualifying vehicles. The 2004 legislation was passed hastily in conjunction with the compromise budget passed during the extended Special Session in 2004. These changes have created several significant problems for the local governments. The 2005 General Assembly acknowledged these unintended consequences and addressed them through amendments incorporated into the Governor's 2005 budget bill. In addition, the Secretary of Finance prepared and released a reimbursement schedule that will govern the timing of the state payments.

Implementing the changes to PPTRA effected by the 2004 legislation and the 2005 budget amendments will require a number of policy decisions. The attached document is an excerpt from the guidance published by VML that explains the changes to the 1998 PPTRA and provides a suggested framework for making the necessary decisions.

This document will be the basis for discussion at the August 2, 2005, Board meeting. Once the Board has discussed the various policy options and provided guidance to staff, the required materials will be drafted for Board consideration and adoption at a later meeting.

White/3737

Attachment

- Excerpt from the Personal Property Tax Relief Guide (VML)